

# Wolfe Research Utilities & Power Leaders Conference

*September 26, 2017*



# Safe Harbor

*This presentation contains statements that may be considered forward looking statements, such as management's expectations of financial objectives and projections, capital expenditures, earnings growth, electric and gas margins, return on equity, rate base, allowance for funds used during construction rates, emissions, plant retirements, rate base, construction work in progress, electric sales, and new generation plans. These statements speak of the Company's plans, goals, beliefs, or expectations, refer to estimates or use similar terms. Actual results could differ materially, because the realization of those results is subject to many uncertainties including regulatory approvals and results, unanticipated construction costs or delays, economic conditions in our service territories, and other factors, some of which are discussed in more detail in the Company's Form 10-K for the year ended December 31, 2016 and Form 10-Q for the quarter ended June 30, 2017. All forward looking statements included in this presentation are based upon information presently available and the Company assumes no obligation to update any forward looking statements.*



# Investment Considerations

- Future strategic investments focused on electric and gas distribution investments, as well as renewable and gas generation
- Attractive total return
  - Projected earnings growth rate of 5-7% using 2016 non-GAAP base of \$1.88 per share
  - Target dividend payout of 60-70% of consolidated earnings. Currently forecasting a dividend of \$1.26 per share for 2017, a 7% increase over 2016.
- Constructive regulatory environments
- Strong balance sheet and liquidity

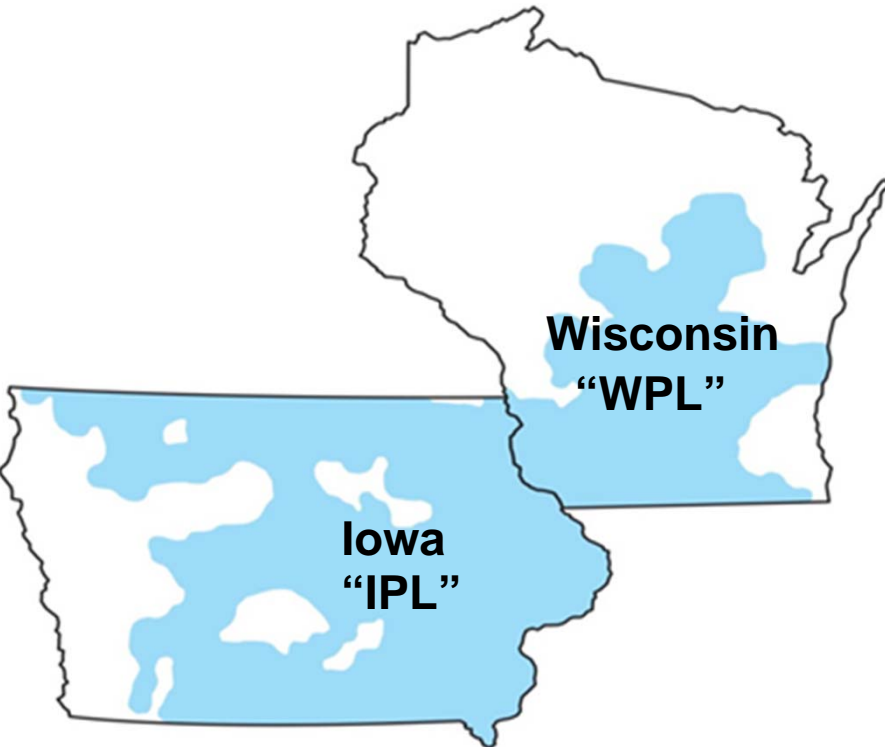
# Regulated Utility Profile

## 2016 data

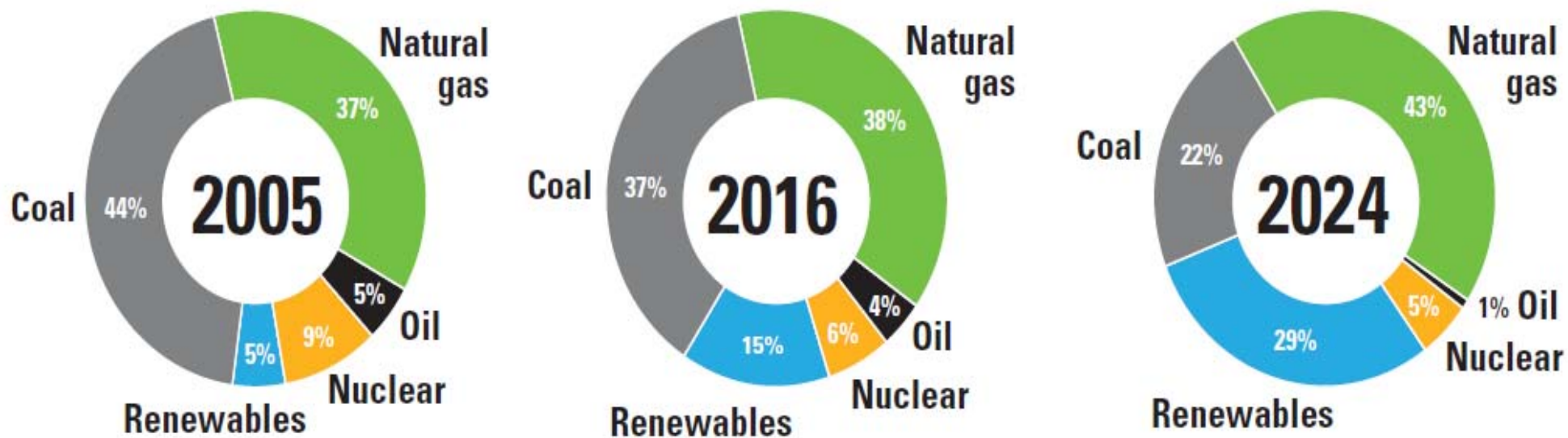
	IPL	WPL	Total
Electric Customers	489,867	468,451	958,318
Electric Sales (000s MWh)	15,970	13,868	29,838
Summer Peak Demand (MW)	2,996	2,681	
Gas Customers	224,420	187,338	411,758
Gas Sales (000's Dths)	63,388	61,840	125,228
Operating Revenues (millions)	\$1,820	\$1,459	\$3,320

## Service Territory Advantages

- Favorable commission rankings
- Economic diversity
- High quality renewable resources
- Access to ANR, Northern Border, and Northern Natural Gas pipelines
- Access to Powder River Basin coal



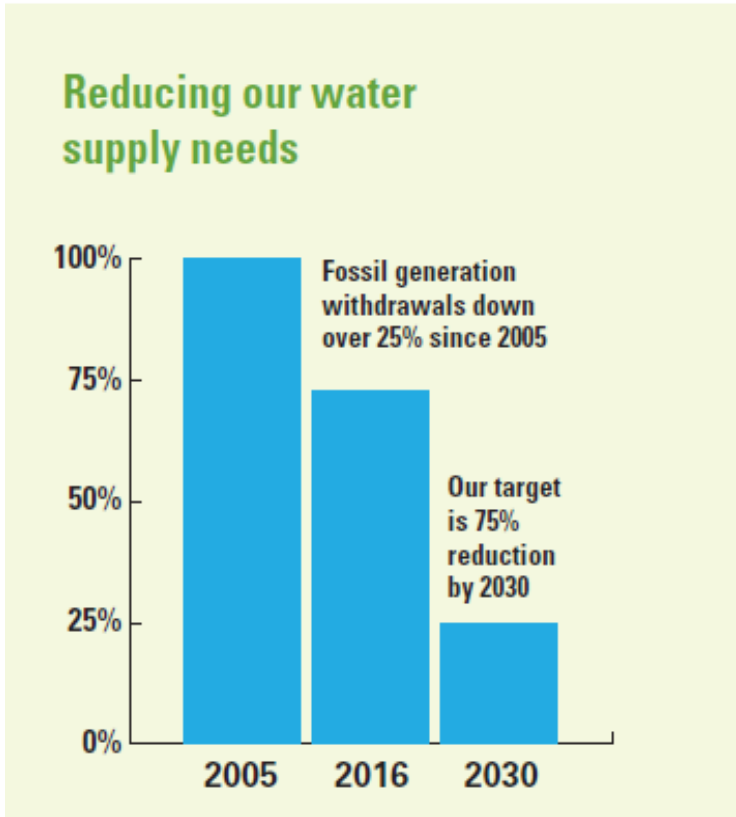
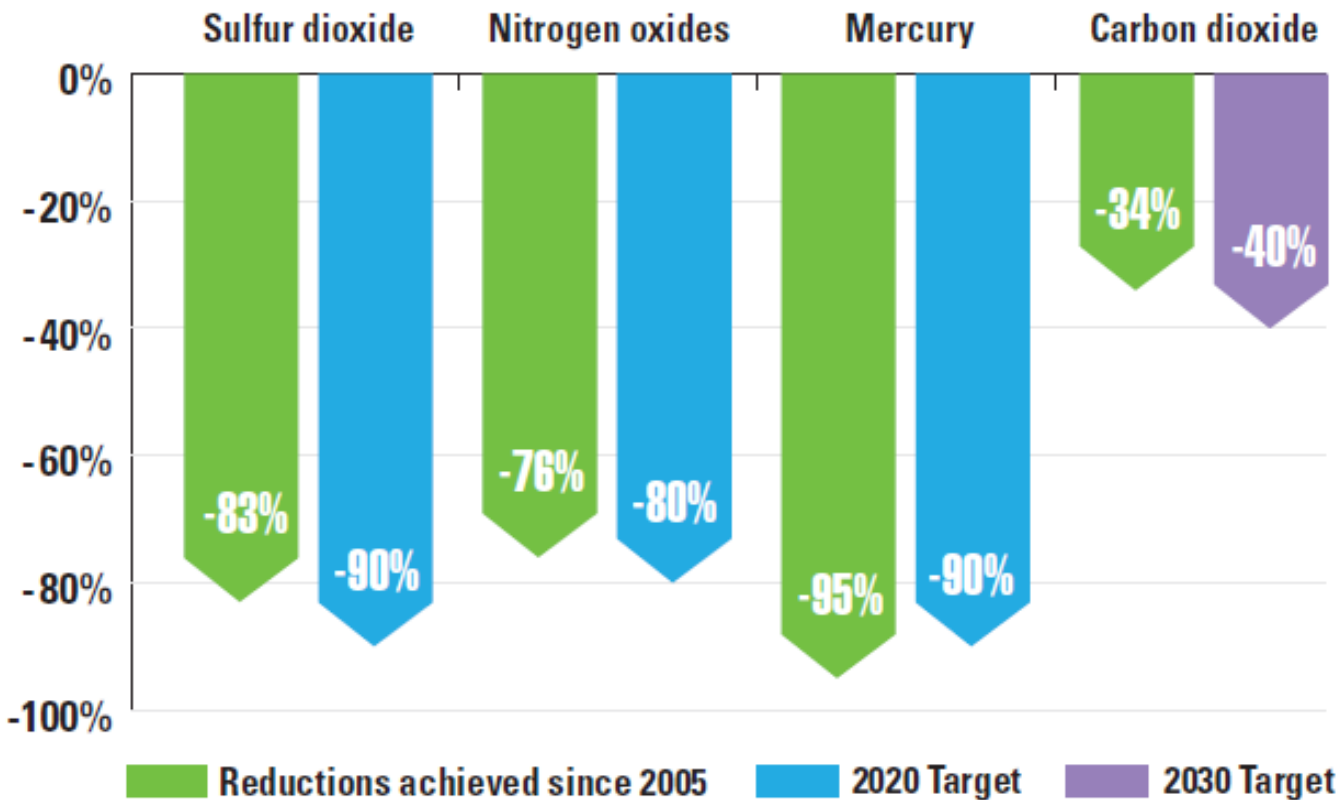
# Transitioning our Energy Resources



\*Based on rated capacity in megawatts

Data as of August 2017 *Sustainability Report*

# Reducing our Environmental Impact



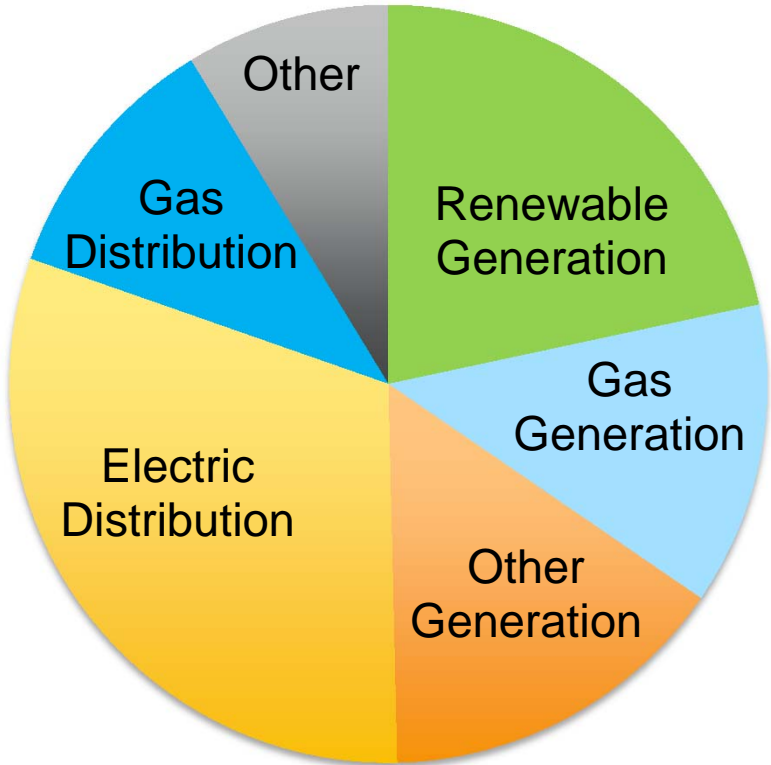
Data as of August 2017 *Sustainability Report*



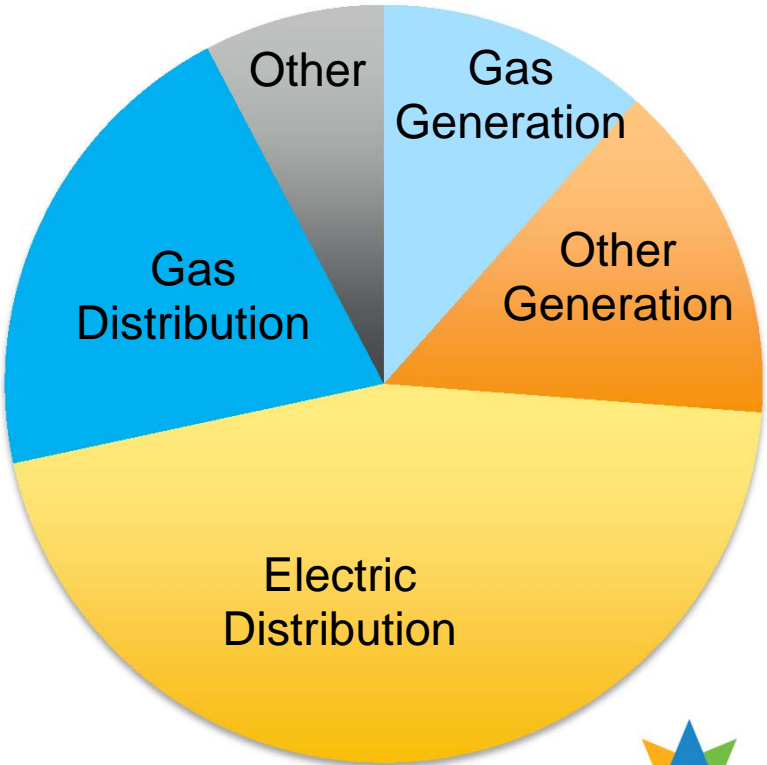
# 10 Years Estimated Capital Expenditures

(last updated November 2016)

2016-2020 \$6.8 billion



2021-2025 \$4.5 billion

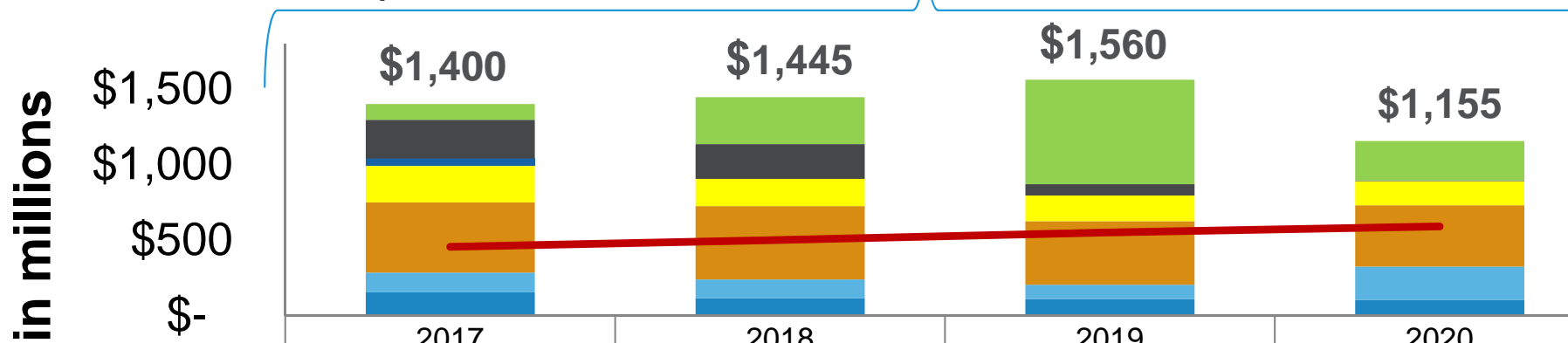


# Capital Expenditures Drive Rate Base Growth

(excluding AFUDC)

(last updated November 2016)

\$5.6 billion over 4 years



	2017	2018	2019	2020
Renewable Projects	\$105	\$310	\$690	\$260
West Riverside	\$255	\$230	\$75	\$5
Marshalltown	\$50	\$-	\$-	\$-
Other Generation	\$240	\$180	\$170	\$160
Electric Distribution	\$465	\$485	\$420	\$405
Gas Distribution	\$130	\$125	\$95	\$220
Other	\$155	\$115	\$110	\$105
Depreciation Expense	\$455	\$500	\$550	\$590



# Iowa Wind Expansion Proposal (RPU II)

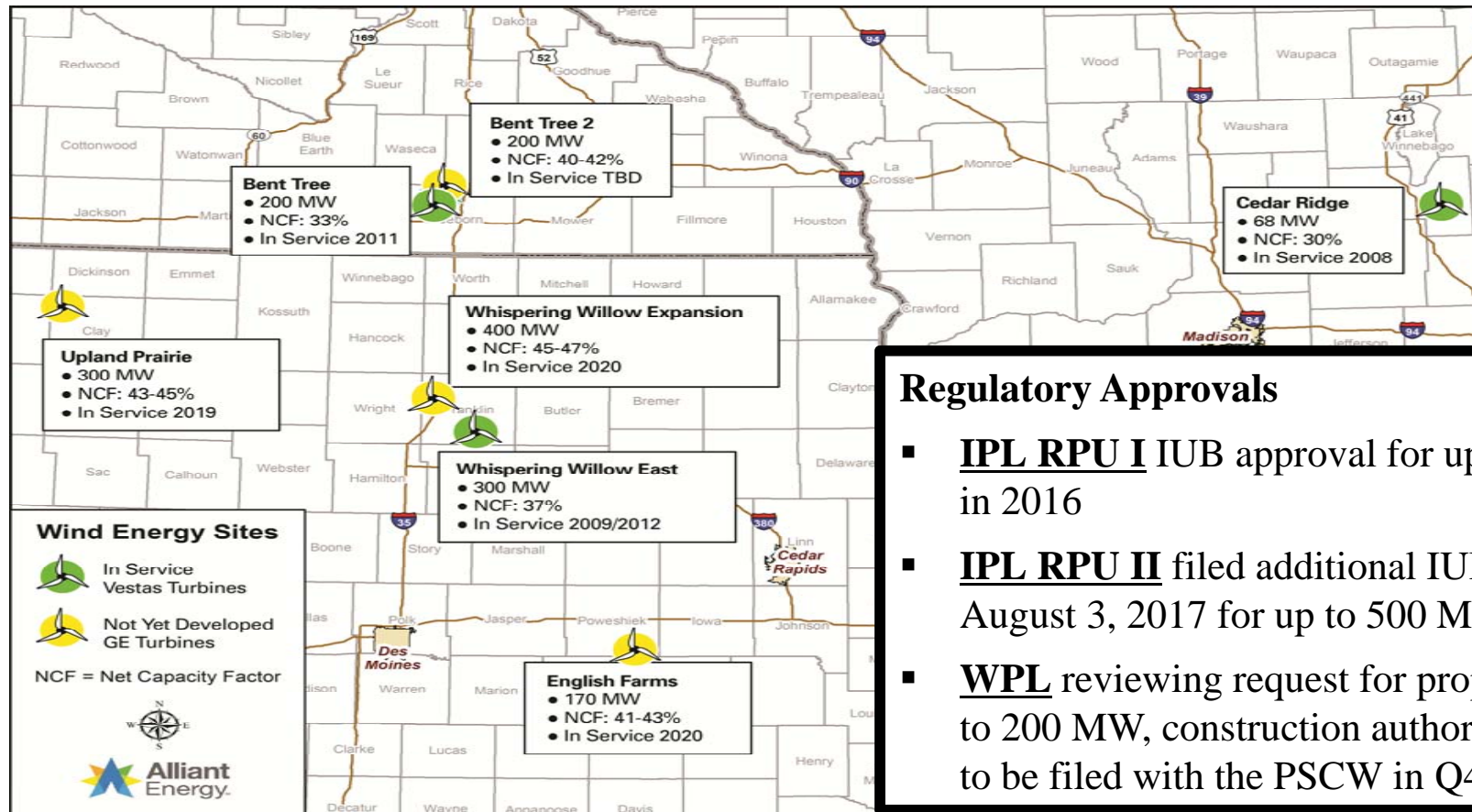
Filed RPU-2017-0002 (RPU II) with IUB on August 3, 2017 requesting the following advance rate-making principles:

- Up to 500 MW
- Cost cap of \$1,780/kilowatt, including AFUDC and transmission
- 11.0% return on common equity (ROE)
- 40 year depreciable life
- AFUDC ROE equal to the higher of 10% or the 2016 test year base rate case decision
- In-service by end of 2020

<i>Current Procedural Schedule</i>	
Interventions Due	August 18, 2017
OCA & Intervenor Direct Testimony Due	September 29, 2017
IPL Rebuttal Testimony Due	October 20, 2017
Joint Statement of Issues Due	October 27, 2017
Settlement Filing Due	October 27, 2017
Hearing	November 16, 2017
Simultaneous Briefs Due	TBD
Final Decision Requested	TBD



# Wind Development Progress



## Regulatory Approvals

- **IPL RPU I** IUB approval for up to 500 MW in 2016
- **IPL RPU II** filed additional IUB request on August 3, 2017 for up to 500 MW
- **WPL** reviewing request for proposals for up to 200 MW, construction authority expected to be filed with the PSCW in Q4 2017

# Gas Generation Investments Drive Growth

## IPL's Marshalltown Generating Station



- Need resulting from planned coal, gas and oil retirements and modest load growth
- An approximate 660 MW combined-cycle natural gas facility
- IPL's cost is \$645 million for facility and pipeline, excluding transmission costs and AFUDC
- Approved by Iowa Utilities Board (IUB) in November 2013
- KBR was engineering, procurement and construction contractor
- Siemens SGT6-5000F5ee combustion turbines
- Full load testing heat rate ~6,610 BTU/kWhr
- In-service April 1, 2017

## WPL's West Riverside Energy Center



- Need resulting from planned coal and gas retirements and modest load growth
- An approximate 730 MW combined-cycle natural gas facility
- WPL's share of estimated cost is \$640 million for facility, excluding transmission costs and AFUDC
- Approved by Public Service Commission of Wisconsin (PSCW) in May 2016
- AECOM selected as engineering, procurement and construction contractor
- GE Frame 7FA.05 combustion turbines
- In-service by early 2020

# Electric Distribution Strategy

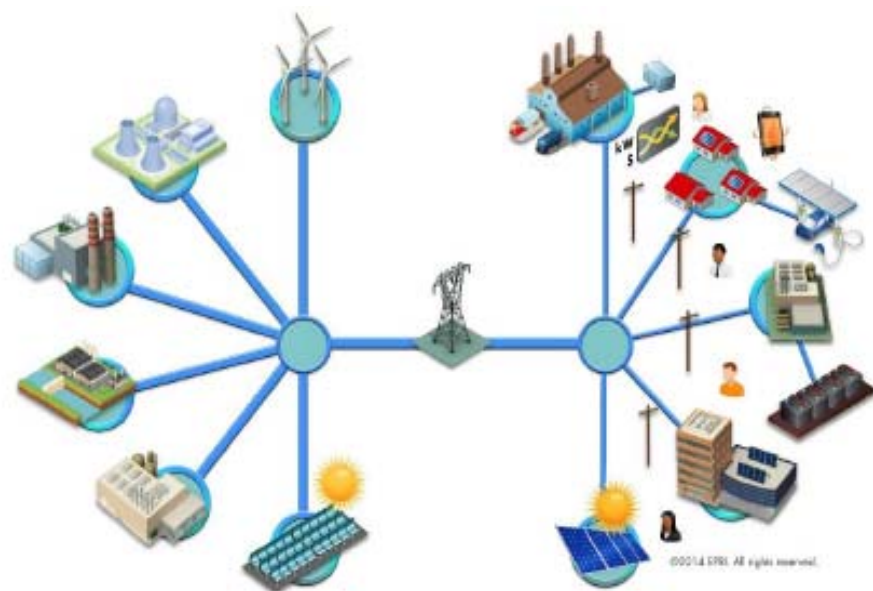
## Grid Enhancements and Customer Need

### Reliability

- Distributed Generation/Renewable integration
- Integrate planning with generation and transmission
- Increase remote monitoring and control
- Eliminate lower voltage systems
- Increase life extension and rebuild rate
- Resiliency improvements including underground/hardening

### Customer Focused

- Customer data availability
- Utility as “trusted advisor” for technical solutions
- Advanced metering infrastructure in Iowa



# Natural Gas Strategy

## Reliability and Customer Growth

### Reliability

- Preparing for increased pipeline inspections under expected PHMSA rules
- Modifying existing pipes for enhanced inspection and verification requirements
- Replacing and making modifications to aging gas transmission lines
- Increasing remote monitoring
- Replacing bare steel

### Customer Focused

- Add capacity to areas of growth potential
- Modify tariffs to promote growth
- Utility as “trusted advisor” for natural gas solutions
- Advanced metering infrastructure in Iowa



# Incremental Growth Opportunity – ATC

Alliant Energy currently holds a 16% equity ownership interest in American Transmission Co.

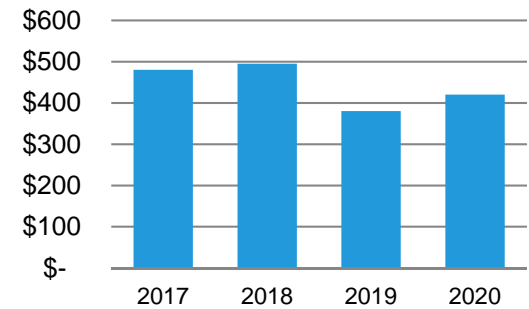
## ATC's Midwest Operations:

- Electric transmission system in Wisconsin, Illinois, Minnesota and the Upper Peninsula of Michigan
- Key Rate-making Principles:
  - Rate Base: 13-month average rate base for 2016 is projected to be approximately \$3.3 billion
  - Capital structure: Hypothetical 50% equity component
  - Authorized Return on Equity (ROE):
    - FERC base ROE decision of 10.32% for first complaint
    - ROE under FERC review for second complaint, FERC ALJ recommended 9.70% base ROE
    - ATC qualifies for 50 basis point adder
  - Annual true-up mechanism for revenue requirement
  - Current return on construction work-in-progress
- Projected capital expenditures of \$3.6 to \$4.4 billion over 10 years from 2016-2025

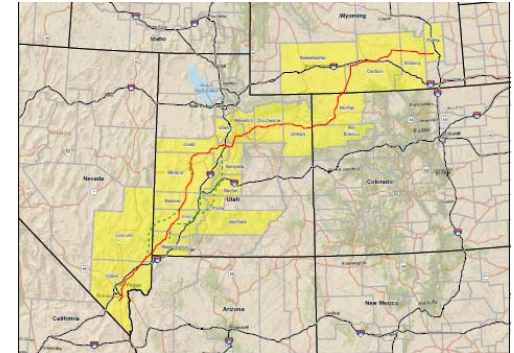
## ATC's Business Development:

- Established 50/50 Joint Venture with Arizona Electric Power Coop. in 2017 (ATC Southwest)
- ATC – Alaska Project – Began discussions with 6 municipal or cooperative utilities in 2015 to develop a Transco business model for Alaska's Railbelt region
- Established 50/50 Joint Venture with Duke Energy in 2011 (Duke-American Transmission Company LLC or DATC)
  - Zephyr Project – Under development by DATC. \$2.6B to \$3.5B proposed 500kV transmission line (525-850 miles) to deliver wind energy generated in eastern Wyoming to California and the southwestern U.S.
  - Path 15 Project – DATC owns 72% of 500kV transmission line (84 miles) in central California. FERC approved \$25.9 million revenue requirement for 2014 through 2016.

ATC Midwest Operations  
Projected Capital Expenditures  
(in millions)



DATC's Zephyr Project



# IPL Electric Retail Base Rate Review Test Year 2016

## Revised IUB Procedural Schedule (issued May 4, 2017) RPU-2017-0001

File	April 3, 2017
<b>Interim rates implemented</b>	<b>April 13, 2017</b>
Intervention Deadline	May 16, 2017
Customer Comment Hearings	May 23 - June 8, 2017
Intervenor Direct Testimony	August 1, 2017
IPL Rebuttal Testimony	August 25, 2017
Intervenor Rebuttal Testimony	September 8, 2017
Joint Statement of Issues	September 12, 2017
Prehearing Briefs	September 12, 2017
Settlement Filing Due	September 20, 2017
Settlement Conference	September 29, 2017
Hearing	October 4-6, 2017
Briefs	October 25, 2017
Reply Briefs	November 8, 2017

**Requested total increase in annual retail electric revenues of \$176 million (11.6% increase) in two phases**

- \$102 million through interim rates starting April 13, 2017
- Remaining \$74 million when final rates are implemented

**Settled on total increase in annual retail electric revenues of \$130 million**

- Weighted average ROE of 10.0%, Non-advanced ratemaking ROE of 9.6%
- No double leverage
- Common equity component of regulatory capital structure 49.02%
- No recovery of performance pay expense
- Return of but not on for remaining net book value of retired Sutherland Generating Station

**Transmission rider, rate design, and class cost of service will be litigated**



# Key Regulatory Initiatives

Estimated  
Key Dates

## Interstate Power and Light

### Iowa Utilities Board

- Decision regarding Emissions Plan and Budget (EPB-2016-0150)
- Decision regarding Wind Expansion Advance Ratemaking Principles (RPU-2017-0002)
- Decision regarding Retail Electric Base Rate Review – Test Year 2016 (RPU-2017-0001)
- File 2019-2023 Energy Efficiency Plan



Q1 2018

Q4 2017

Q1 2018

### Federal Energy Regulatory Commission

- Decision regarding authorized return on equity (ROE) amounts for MISO transmission owners' second complaint
- Decision regarding transfer of Franklin County Wind Farm from Alliant Energy Finance to IPL (EC17-40)

H1 2018



## Wisconsin Power and Light

### Public Service Commission of Wisconsin

- Decision on Electric Fuel Rate Case – Test Year 2018 (6680-FR-109)
- File for Wind Expansion Construction Authority

Q4 2017

Q4 2017

### Federal Energy Regulatory Commission

- Decision regarding authorized return on equity (ROE) amounts for MISO transmission owners' second complaint

H1 2018

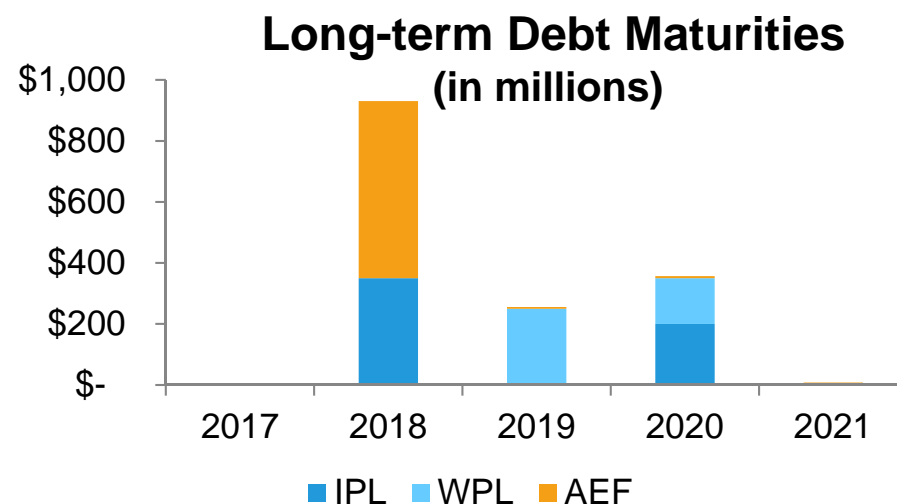




# Planned Financings, Strong Liquidity

## 2017 Financings

- Up to \$250 million of long term debt at IPL
- Up to \$300 million of long term debt at WPL
- Up to \$150 million of common equity through ATM and the Shareholder Direct Plan. \$125 million ATM completed June 2017.



## Liquidity as of 7/31/2017

(in millions)

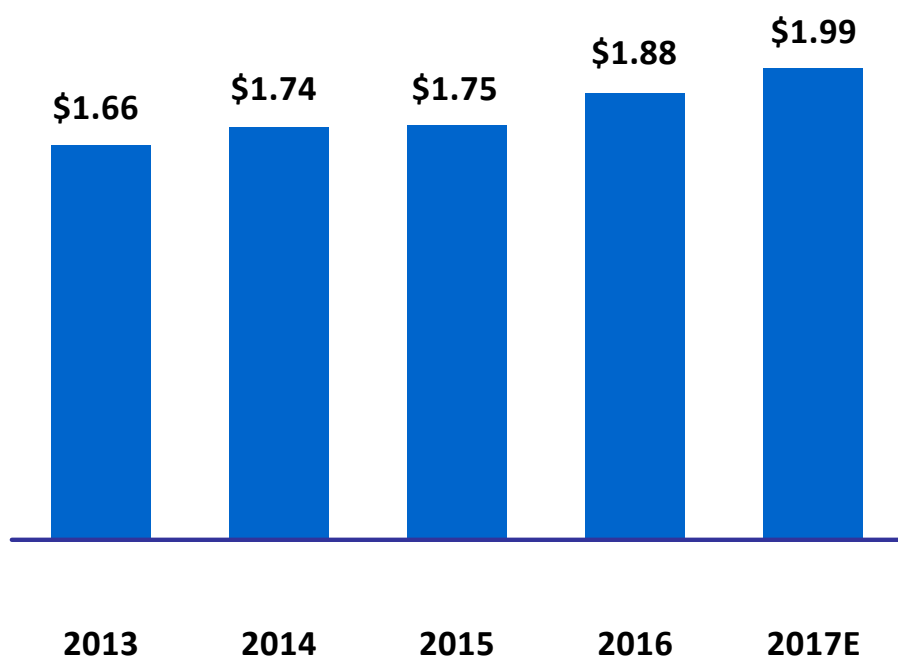
### Credit Facility

	<u>Opening Sublimits</u>	<u>Available</u>	<u>Cash</u>	<u>A/R Sales</u>	<u>Total</u>
IPL	\$300	\$260	\$3	\$36	\$299
WPL	400	190	--	--	190
AEC / Other	<u>300</u>	<u>141</u>	<u>1</u>	--	<u>142</u>
<b>Total</b>	<b>\$1,000</b>	<b>\$591</b>	<b>\$4</b>	<b>\$36</b>	<b>\$631</b>

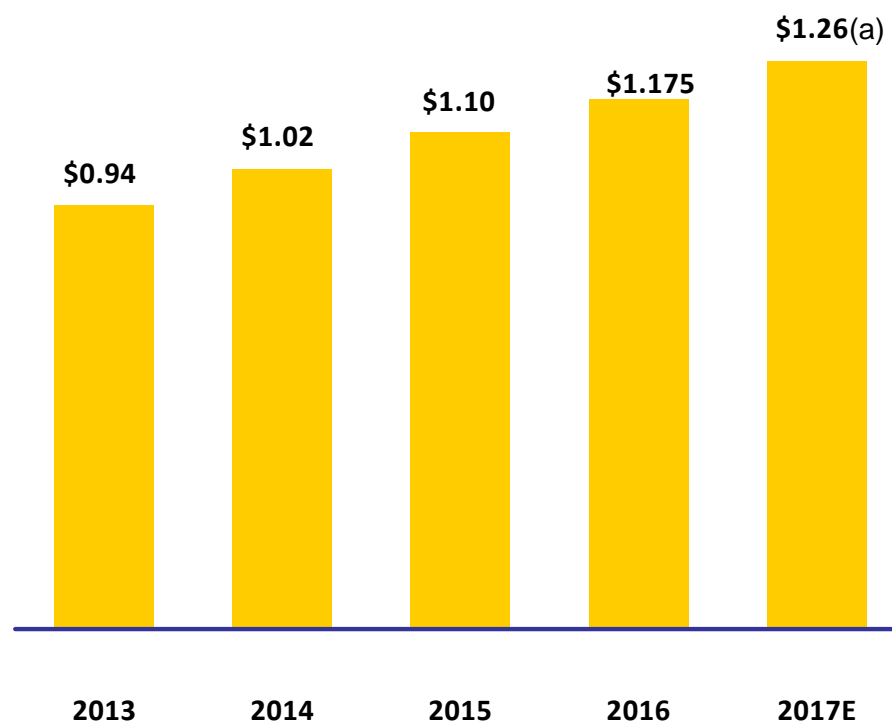
# Growth in Earnings and Dividends

Post stock split

Adjusted (non-GAAP)  
Earnings per Share from  
continuing operations



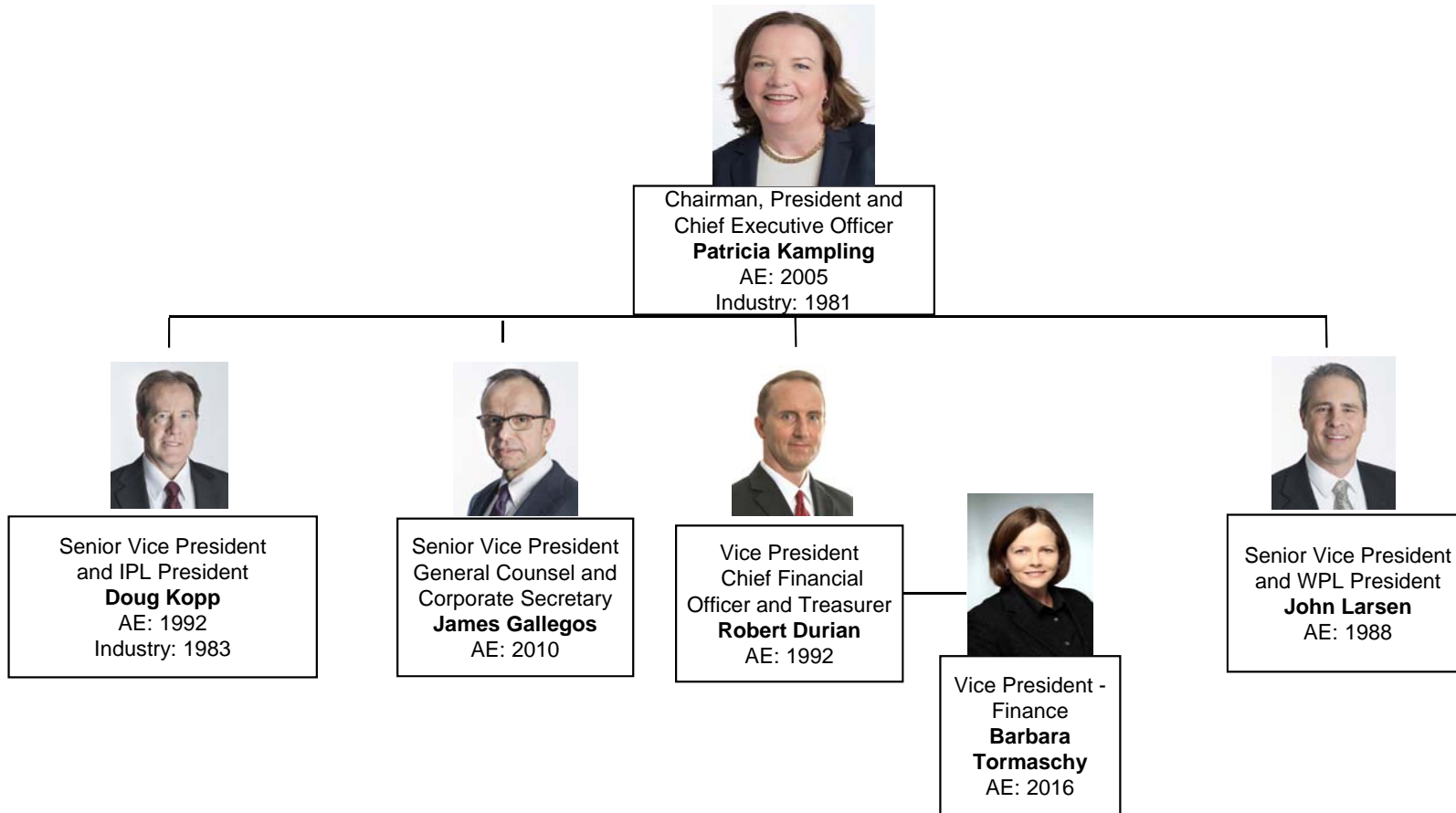
Dividends per Common Share



(a) Annual common stock dividend target. Payment of the quarterly dividends is subject to the actual dividend declaration by the Board of Directors.

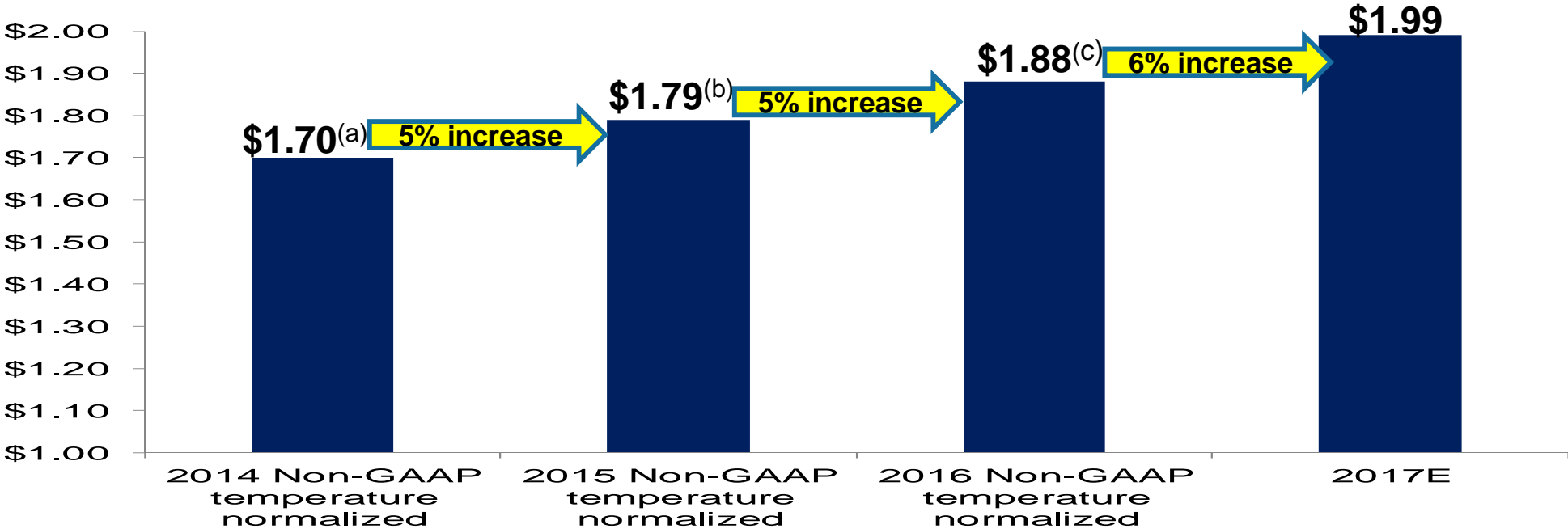
# Appendix

# A Respected, Veteran Leadership Team



**Our top executives have over 130 combined years of creating shareholder value in the energy industry.**

# 2014, 2015 and 2016 Non-GAAP Temperature Normalized EPS versus Midpoint of 2017 EPS Guidance



(a) 2014 GAAP earnings from continuing operations were \$1.74. Non-GAAP EPS adjustment was \$0.04 for temperature.  
 (b) 2015 GAAP earnings from continuing operations were \$1.69. Non-GAAP EPS adjustments were (\$0.04) for temperature and (\$0.06) for losses from sales of Minnesota distribution assets and voluntary employee separation charges.  
 (c) 2016 GAAP earnings from continuing operations were \$1.65. Non-GAAP EPS adjustment was (\$0.23) for a valuation charge related to the Franklin County Wind Farm.  
 The 2017 earnings guidance does not include the impacts of any material non-cash valuation adjustments, regulatory-related charges or credits, reorganizations or restructurings, discontinued operations, further impacts from anticipated changes to ATC's authorized return on equity, future changes in laws or regulations including potential tax reform, adjustments made to deferred tax assets and liabilities from valuation allowances and organizational structure changes, pending lawsuits and disputes, federal and state income tax audits and other Internal Revenue Service proceedings or changes in GAAP and tax methods of accounting that may impact the results.



# 2016 to 2017 Consolidated Earnings Guidance Walk

	Utilities, ATC and Corp. Services	Non- Reg./ Parent	AEC
<b>2016 Non-GAAP EPS from continuing operations</b>	<b>\$1.85</b>	<b>\$0.03</b>	<b>\$1.88</b>
IPL interim retail electric base rate increase	0.20 <sup>(a)</sup>	--	0.20
WPL retail electric and gas base rate increases	0.18 <sup>(b)</sup>	--	0.18
Higher depreciation expense (including Marshalltown and change of rates at WPL)	(0.11)	--	(0.11)
Higher energy efficiency cost recovery amortizations at WPL	(0.07)	--	(0.07)
Higher interest expense	(0.04)	(0.01)	(0.05)
Higher operation and maintenance expense (including Marshalltown Generating Station)	(0.03)	--	(0.03)
Equity dilution	(0.02)	--	(0.02)
Other	--	0.01	0.01
<b>2017 Forecasted EPS Midpoint</b>	<b>\$1.96</b>	<b>\$0.03</b>	<b>\$1.99</b>

(a) Impact spread across quarters with approximately 25%-Q2, 45%-Q3, and 30%-Q4.

(b) Impact spread across quarters with approximately 35%-Q1, 25%-Q2, 5%-Q3, and 35%-Q4.

# IPL Electric Retail Rate Review – Interim vs. Settlement

	Interim		Settlement	
Retail Electric Rate Base and ROE	Rate Base (in millions)	ROE	Rate Base (in millions)	ROE
Emery Generating Station	\$212	12.23%	\$213	12.23%
Whispering Willow East	\$229	11.70%	\$231	11.70%
Marshalltown Generating Station	\$689	11.00%	\$647	11.00%
All other	\$2,869	10.00% <sup>(a)</sup>	\$3,116	9.60%
Whispering Willow East –not earning a return	\$24		\$24	
Less: Wholesale	(\$176)		(\$182)	
<b>Total Retail Electric Rate Base</b>	<b>\$3,847</b>		<b>\$4,049</b>	
Common Equity Component of Regulatory Capital Structure	49.10%		49.02%	
Key Regulatory Assets				
Remaining net book value of Sutherland			10-year amort. (\$4.4M/year)	
SO2 forward contract costs			10-year amort. (\$2.6M/year)	
Asset retirement obligation costs			4-year amort. (\$4.2M/year)	
Depreciation and amortization expense (final based on updated depreciation study)	\$215		\$253	
Continuation of the transmission rider	Yes		Requested	

(a) Adjusted for double leverage

# Wisconsin Power and Light Test Period 2017-2018 Retail Rate Review Decision (6680-UR-120)

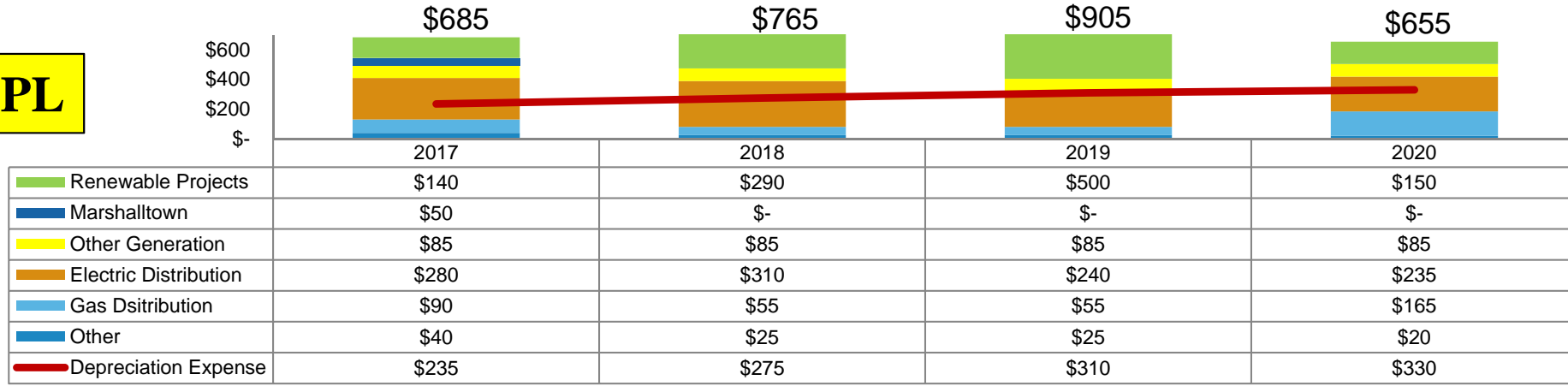
## - Customer Rate Impacts

- **\$9 million (~1%) annual electric rate increase effective January 1, 2017**
  - \$60 million base revenue increase
  - (\$51) million monitored fuel cost decrease
- **\$9 million (~13%) annual gas base rate increase effective January 1, 2017**
  
- **Electric and gas retail rate base of \$3.0 billion in 2017, \$3.1 billion in 2018**
- **10.0% authorized return on equity**
- Continue ROE sharing mechanism
  - 10.00%-10.25% no sharing
  - 10.25%-11.00% 50/50 sharing
  - >11.00% 100% customer
- **Common equity 52.23% in 2017, 52.20% in 2018**
- Use of transmission escrow and continued use of the conservation escrow to offset base rate increases
- Deferral of revenue requirement impacts of Columbia ownership changes
- AFUDC treatment for 100% of West Riverside CWIP balances
- AFUDC treatment for 100% of CWIP balances for new CA/CPCNs not reflected in rate case, deferral of related incremental depreciation.
- Changes in depreciation rates
- Transfer of ATC investment out of WPL consistent with Docket 6680-AU-118

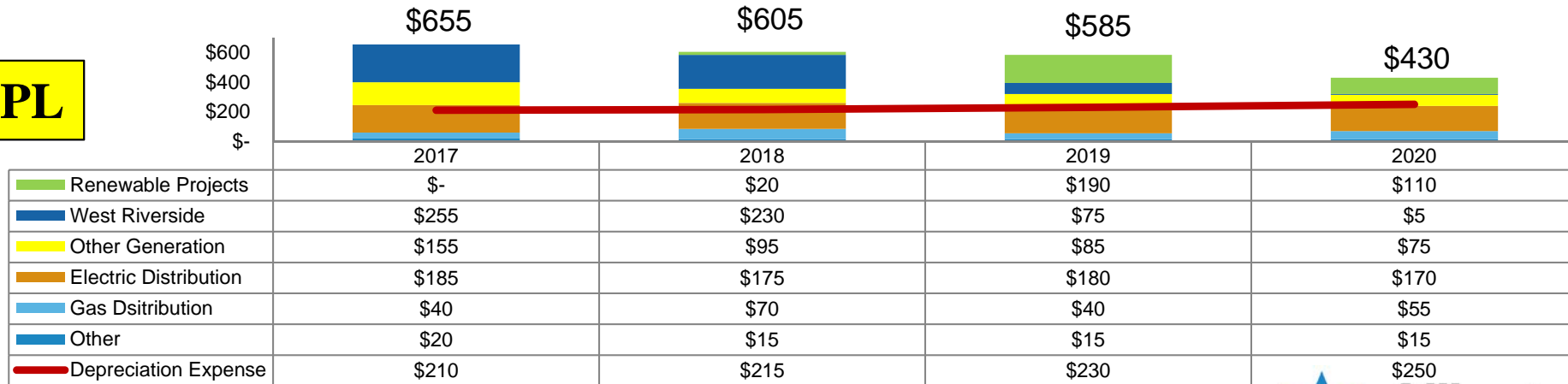


# IPL and WPL Capital Expenditures (in millions)

**IPL**



**WPL**



# Iowa Wind Expansion Approved (RPU I)

**Expect to place up to 500 MW in service in 2019 and 2020**

## **Advanced Ratemaking Principles approved by the IUB:**

- The ratemaking principles apply to any new wind facility constructed as part of RPU I that qualifies for 100% of the federal Production Tax Credits, regardless of its location in Iowa, up to 500 megawatts.
- **Cost cap: \$1,830/kilowatt**, including allowance for funds used during construction (AFUDC) and transmission costs
- **Return on common equity: 11.0%**, with the exception of certain transmission facilities classified as intangible assets, which shall earn the rate of return on common equity authorized by the Iowa Utilities Board in a future rate review
- Return on common equity used in calculating the AFUDC rate to be the higher of the outcome of the next rate review or 10.0%
- Depreciable life of 40 years, unless changed as a result of a contested case before the Iowa Utilities Board
- Alliant Energy's Iowa customers shall be entitled to the full value of any environmental attributes, beyond those needed for compliance with applicable regulatory requirements, associated with investment included in IPL's Iowa jurisdictional rate base
- Alliant Energy is permitted to include in Iowa rates the actual cost of the wind project up to the cost cap without need to establish prudence, but required to establish the prudence of any cost in excess of the cost cap
- Cancellation costs: recovery of prudently incurred and unreimbursed costs, if applicable, amortized over 10 years

**Docket RPU-2016-0005**

# IPL's Marshalltown Generating Station (MGS) Approved Rate Making Principles (RPU-2012-0003/GCU-2012-0001)

- Cost cap of \$920 million, including the facility, pipeline, transmission costs, owner's costs and AFUDC. **Facility, owner's cost, and pipeline costs is \$645 million.**
- The allowed rate of **return on common equity** capital on the portion of the MGS project to be included in Iowa electric rate base is **11.0%**.
- ROE of 10.3% will be used in calculating the AFUDC rate.
- Depreciable life of MGS is 35 years.
- IPL permitted to include in rates the actual cost of the MGS project up to the cost cap, excluding transmission upgrades, without the need to establish prudence or reasonableness. IPL required to establish the prudence and reasonableness of any cost in excess of the cost cap.

**Note:** ITC Midwest has elected to fund the cost of the Network Upgrades as allowed in Article 11.3 of the Generator Interconnection Agreement (GIA). ITC Midwest will recover its return on and of the actual capital cost of the Network Upgrades from IPL under a separate service agreement between ITC Midwest and IPL.

# West Riverside Energy Center Option Agreements

WPL will provide book-value purchase options for partial ownership of the facility.

Utilities and electric cooperatives	Purchase option amount	Option timing <sup>(a)</sup>
Adams-Columbia Electric Cooperative (ACEC) Rock Energy Cooperative (REC) Central Wisconsin Electric Cooperative (CWEC)	approximately 65 megawatts	November 1, 2016 letter of intent was issued to exercise – option purchase pending PSCW approval
Wisconsin Public Service Corporation (WPS)	up to 200 megawatts	2020 - 2024
Madison Gas and Electric Company (MGE)	up to 50 megawatts	2020 - 2025

(a) Assumes an in-service date of early 2020.

ACEC, REC, and CWEC options – during construction (approved by FERC, subject to approval by PSCW)

- The Co-ops' ownership interests tied to wholesale power-supply agreements extending out to at least 2026.
- Co-ops will buy in during construction phase of approximately 65 megawatts. Payments will commence upon PSCW approval of purchase by co-ops.

WPS and MGE options – exercisable once project is in-service (subject to approval by PSCW and FERC)

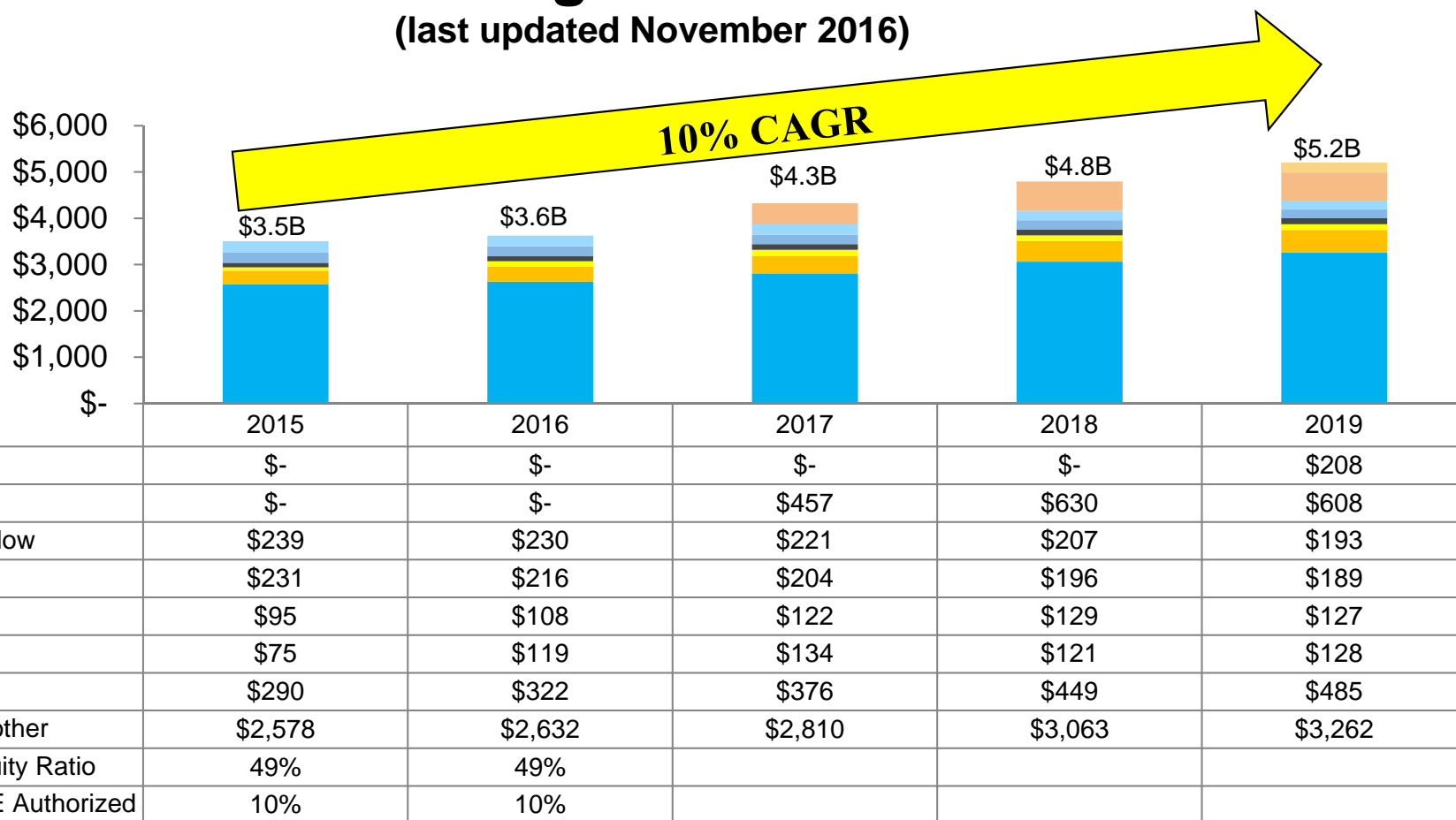
- WPS may acquire up to 200 megawatts over the course of four years, with no more than 100 megawatts in the first two years.
- MGE may acquire up to 50 megawatts over five years, with no more than 25 megawatts in the first two years.
- If WPS exercises its options, WPL may exercise reciprocal options to purchase up to 200 megawatts of any natural-gas combined-cycle plant that either WPS or WEPCO, places in service before approximately 2030 subject to PSCW approval.
- WPL will also work cooperatively with WPS and WEPCO in developing utility-scale renewable resources (greater than 50 megawatts) located in Wisconsin over the next 10 years.

Columbia Energy Center capital expenditures (PSCW docket 5-BS-214 approved in October 2016) (FERC approved June 6, 2017)

- WPS and MGE have negotiated contracts under which they may forgo certain capital expenditures at Columbia Energy Center, which WPL would then incur in exchange for a proportional increase in WPL's ownership share.
- The Columbia Energy Center arrangement will expire when the West Riverside project is placed in-service. The arrangement excludes capital expenditures related to the selective catalytic reduction system at Columbia Energy Center Unit 2.

# Projected 13-Month Average IPL Rate Base for 2015-2019<sup>(a)</sup>

(last updated November 2016)



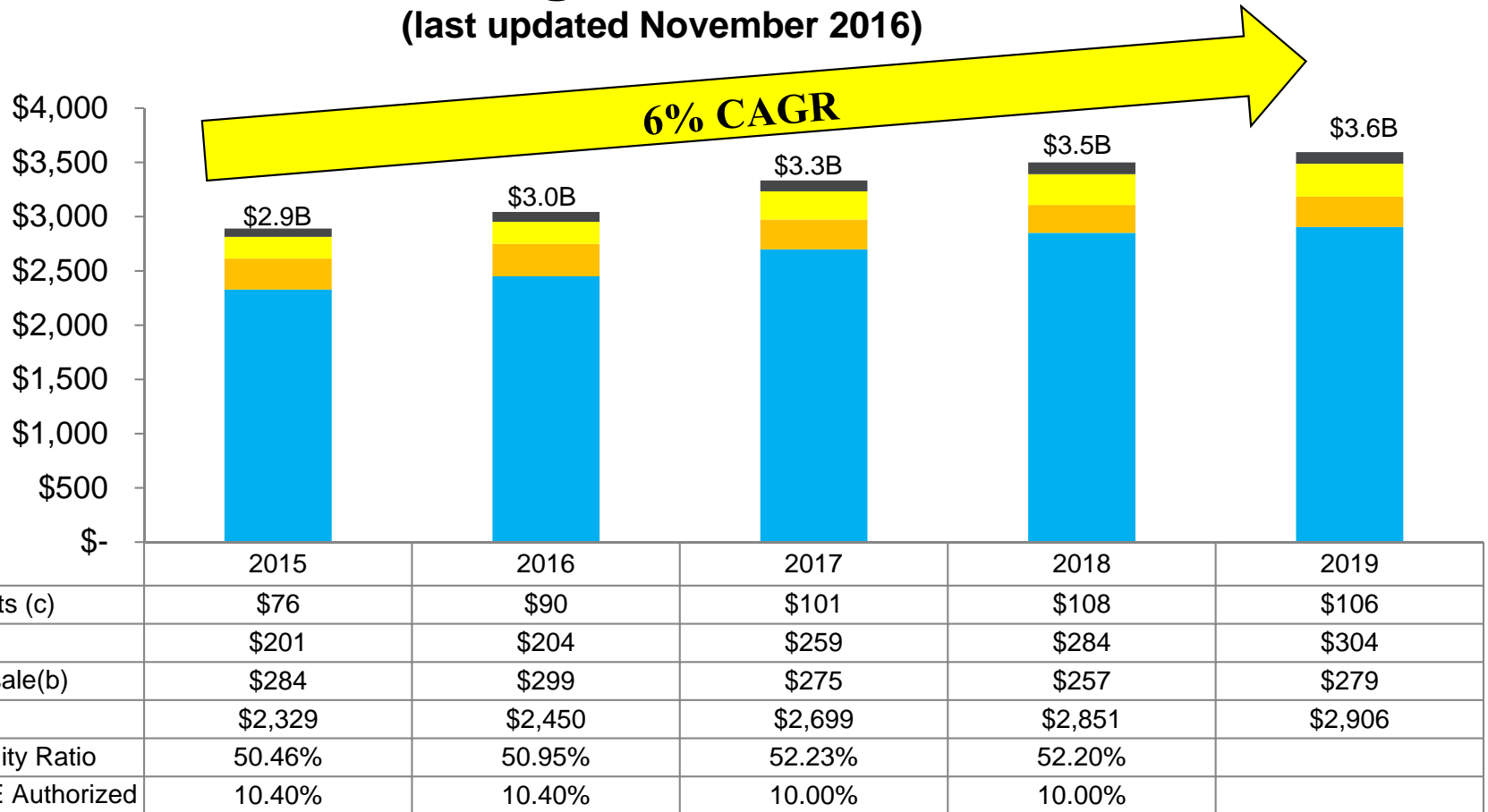
(a) CWIP is not included in retail and wholesale rate base

(b) FERC formula rates

(c) SERVCO assets not reflected in rate base for IPL retail or wholesale rates, but rather return on and of SERVCO assets are reflected in revenue requirement

# Projected 13-Month Average WPL Rate Base for 2015-2019<sup>(a)</sup>

(last updated November 2016)



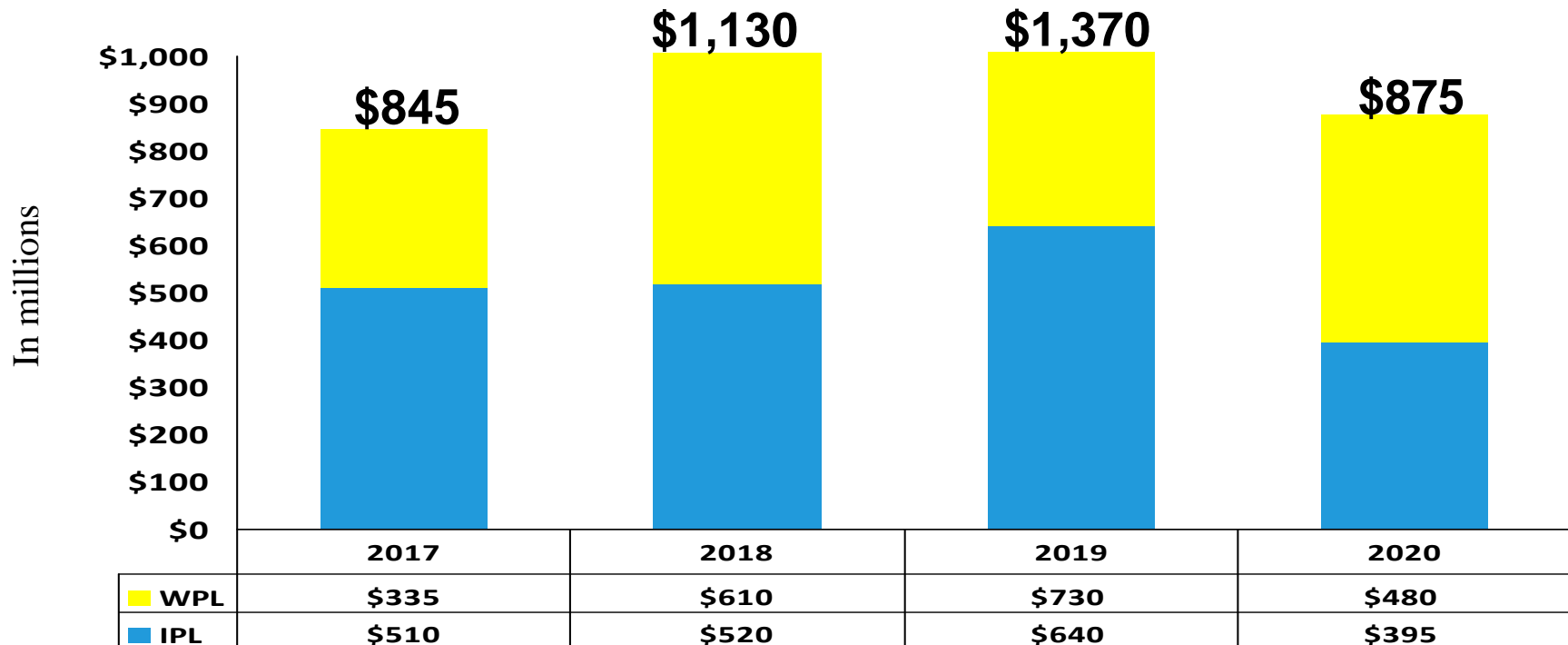
(a) CWIP is not included in retail and wholesale rate base

(b) FERC formula rates

(c) SERVCO assets not reflected in rate base for WPL retail or wholesale rates, but rather return on and of SERVCO assets are reflected in revenue requirement








## Earning AFUDC on Investments under Construction 13-Month Average Forecasted CWIP Balances (in millions) (last updated November 2016)

Projected AFUDC rates for 2017 IPL ~7.6% WPL ~7.6%



CWIP balances include AFUDC eligible CWIP and, in the case of WPL, portions of CWIP that earn a current return in rate-making processes (typically 50% of CWIP, except West Riverside and certain large projects that had not received PSCW approval prior to the applicable rate case).

## Meeting or Exceeding Expectations – Construction Projects (\$ in millions, excluding AFUDC, June 30, 2017):

Project	Approved Budget <sup>(1)</sup>	Current Estimate	Progress (% Complete)	Performance
Edgewater 5 SCR	\$154	\$135 <sup>(2)</sup>	100%	
Columbia Scrubber/Baghouse <sup>(3)</sup>	\$627	\$589 <sup>(2)</sup>	100%	
Ottumwa Scrubber/Baghouse <sup>(3)</sup>	\$345	\$331 <sup>(2)</sup>	100%	
Ottumwa Efficiency Upgrades <sup>(3)</sup>	\$154	\$147 <sup>(2)</sup>	100%	
Lansing 4 Scrubber	\$58	\$55 <sup>(2)</sup>	100%	
Edgewater 5 Scrubber/Baghouse	\$300	\$231 <sup>(2)</sup>	100%	
Marshalltown Generating Station and Pipeline	\$700	\$645	99.9%	
Sutherland CT Fuel Conversion	\$39	\$39	99.4%	TBD
Columbia Efficiency Upgrades <sup>(3)</sup>	\$158	\$141	94.5%	TBD
Columbia 2 SCR <sup>(3)</sup>	\$150	\$92	72.8%	TBD
Ottumwa SCR <sup>(3)</sup>	\$150	\$135	28.5%	TBD
West Riverside Energy Center <sup>(3)</sup>	\$700	\$700	6.6%	TBD

- (1) All approved budgets have received appropriate regulatory approvals.
- (2) Represents final project cost
- (3) Budget and estimate numbers are for 100% of project, including co-owners' share



# Rate Base and Return on Equity

Rate Base in effect in 2017, information based on approved and pending orders

	Rate Base		
	\$'s in millions	% Common Equity	Authorized ROE
<b>IPL (Iowa)</b>			
Emery Generating Station <sup>(a)</sup>	\$212	49.1%	12.23%
Whispering Willow East <sup>(a)</sup>	\$229	49.1%	11.70%
Marshalltown Generating Station <sup>(a)</sup>	\$689	49.1%	11.00%
All Other Retail Electric Service <sup>(a)(b)</sup>	\$2,693	49.1%	10.00%(c)
Gas Service	\$255	48.8%	9.56%(d)
<b>WPL (Wisconsin)</b>			
Retail Electric Service	\$2,699	52.2%	10.00%
Gas Service	\$259	52.2%	10.00%
<b>FERC</b>			
WPL Wholesale	\$299	55.0%	10.90%
IPL Wholesale	\$119	47.8%	10.97%

(a) Interim retail electric rate increase implemented, effective April 13, 2017

(b) Excludes \$24 million for Whispering Willow East which is not earning a return


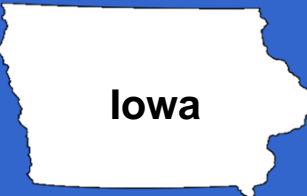
(c) Before application of double leverage

(d) Reflecting application of double leverage

# Credit Ratings

<b>CREDIT RATINGS</b>	<b><u>Moody's</u></b>	<b><u>S&amp;P</u></b>
AEC – Unsecured long-term debt	Baa1 (Stable)	N/A
AEC – Commercial Paper	P-2	A-2
IPL – Unsecured long-term debt	Baa1 (Stable)	A- (Stable)
IPL – Commercial Paper	P-2	A-2
WPL – Unsecured long-term debt	A2 (Stable)	A (Stable)
WPL – Commercial Paper	P-1	A-1

# Renewable Energy Standards

	 Wisconsin	 Iowa
Current Standards	~5% by 2010 ~9% by 2015	105 MW total state IPL is 50MW

# State Commission Overview

	Iowa	Wisconsin
Commissioners	3	3
Elected / Appoint	Appointed	Appointed
Term (years)	6	6
Commissioners Term Expiration Dates	<b>Huser – April 2021</b> Wagner - April 2019 Lozier - April 2023	<b>Nowak - March 2019</b> Huebsch – March 2021 Roberts - March 2023
Party Affiliation	D: 1 R: 2	R:3
Rate Case Test Year	Historical w/ post test year adjustments	Forecasted
Fuel	Pass Through	Fuel Band
Financial Parameters for New Generation	Iowa Code 476.53	Wisconsin Statute 196.371

# FERC Jurisdiction

## AEC investment in American Transmission Company

- 16% equity interest
- 2016 equity income \$39 million
- Authorized ROE (annual true-up)
  - FERC base ROE decision of 10.32% for the first complaint
  - Base ROE under FERC review for the second complaint, FERC ALJ recommended 9.70%,
  - ATC qualifies for 50 basis point adder
- ATC forecasted capex of \$3.6 - \$4.4 billion over 10 years, excludes investments outside Midwest
- Established Joint Venture with Duke Energy – anticipate additional capex
- Established Joint Venture with Arizona Electric Power Cooperative – anticipate additional capex

## WPL wholesale customers









- ~19% of WPL's MWh sales (~12% of electric revenue) in 2016
- WPL's wholesale load is served via power supply agreements that extend through at least May 2017, with 70% extending through 2022, and 25% extending through 2027.
- WPPI Energy terminated contract May 31, 2017. Represents ~5% of WPL total electric sales in 2016.
- Great Lakes Utilities terminating contract December 31, 2017. Represents ~2% of WPL total electric sales in 2016.
- 2016 wholesale revenues \$162 million
- Return on equity at 10.9%
- Capital structure consisting of 55% equity and 45% long-term debt
- Formula rates that true up capacity costs annually and adjust energy costs monthly
- Current recovery of 50% of construction work in progress except for new fossil-fuel plants

## IPL wholesale customers

- ~9% of IPL's MWh sales (~6% of electric revenue) in 2016
- New wholesale agreement started July 31, 2015 with SMEC
- 2016 wholesale revenues \$94 million
- Jo-Carroll terminating contract April 1, 2018. Represents ~3% of IPL total electric sales in 2016.
- Return on equity 10.97%. Average capital structure adjusts annually (48% equity, 47% long-term debt, 5% preferred)
- Formula rates that true up capacity costs annually and adjust energy costs monthly



# Constructive Regulatory Framework

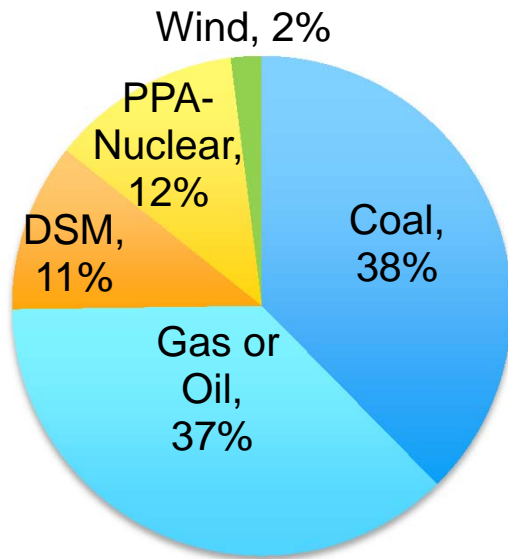
Expenses Recovered under “Riders”	IPL – Iowa Retail	WPL - Wisconsin Retail
Electric production fuel and energy purchases (WPL includes emission allowances and chemicals to reduce emissions; IPL only includes emission allowances)		 ± 2%
Transmission service <sup>(a)</sup>		
Energy efficiency <sup>(b)</sup>		
Cost of gas		
<p>% of 2016 utility operating expenses flowing through riders</p>	~60%	~60%
<p>Test Year</p>	<p>Historical, with interim rates implemented 10 days after filing</p>	<p>Two-Year Forward Looking</p>

(a) Escrow accounting for WPL in 2017 and 2018

(b) Escrow accounting for WPL

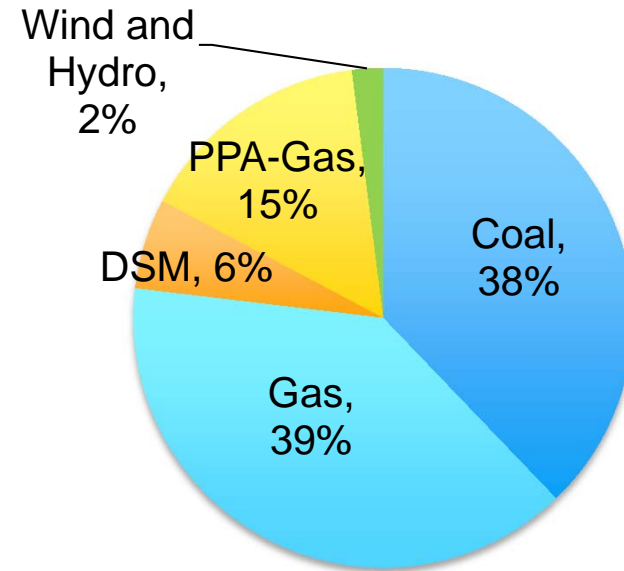
# 2016 Capacity

Based on summer capacity contribution to MISO Resource Adequacy calculations.



## IPL Total 2016 MW 3,270

Emery generating station is 527 MW of total 1,213 MW gas or oil capacity (43% of total gas or oil)

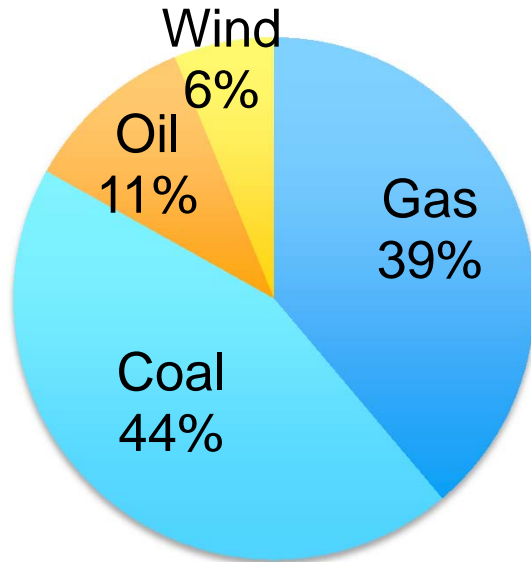


## WPL Total 2016 MW 2,892

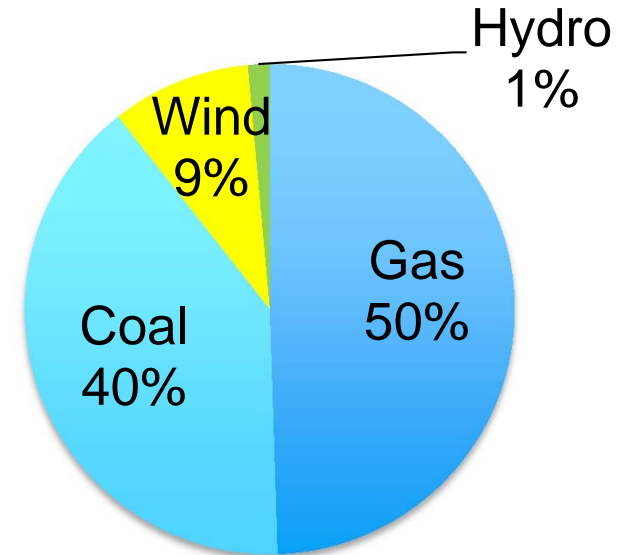
Sheboygan Falls, Neenah and Riverside generating stations are 1,103 MW of total 1,556 MW gas capacity (71% of total gas)

# Name Plate Capacity

(as of December 31, 2016)



**IPL Total 2016 MW 3,215**

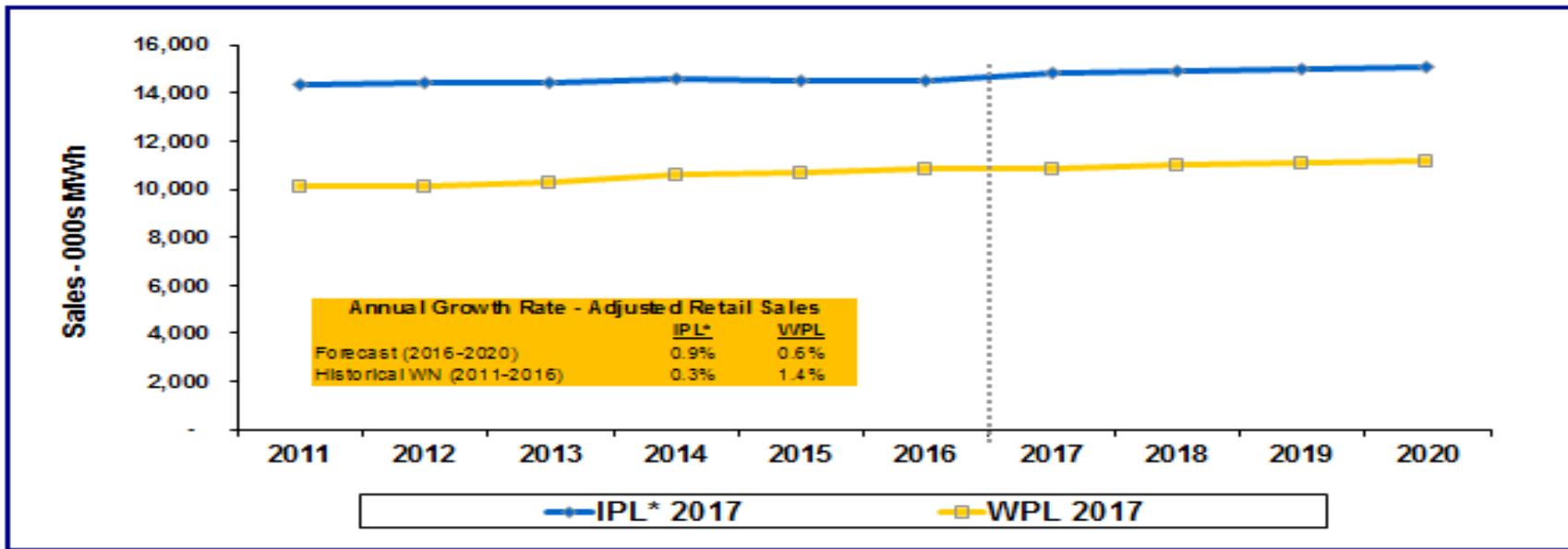


**WPL Total 2015 MW 2,926**

Sheboygan Falls 347 MW nameplate capacity is not included in the WPL gas percentage since it is not owned by the utility. WPL leases Sheboygan Falls from Alliant Energy non-regulated generation.



# Adjusted Retail MWH Sales - Historical & Long-Term Forecast<sup>(a)</sup>

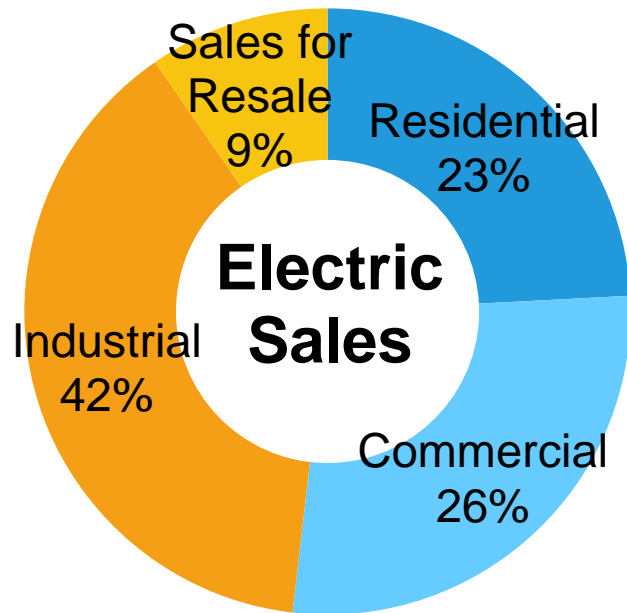


(a) Historical sales are net of energy conservation and are weather normalized. Forecasted sales are net of energy conservation and assume normal weather.

\*IPL Historical sales exclude MN retail sales

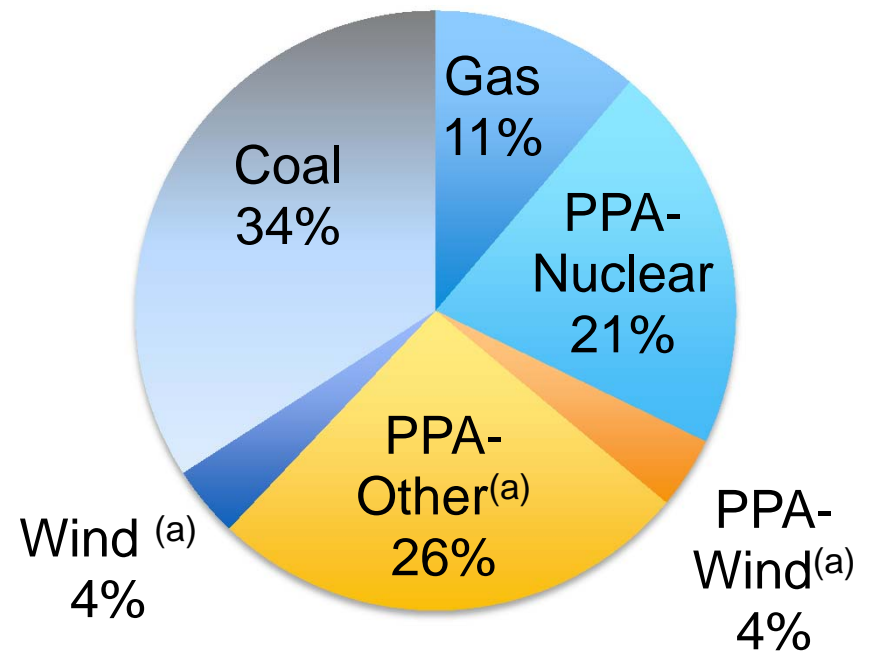
# IPL Operating Information

## (Calendar Year 2016)



**2015 US Avg.: 38% Residential,  
36% Commercial, 26% Industrial**

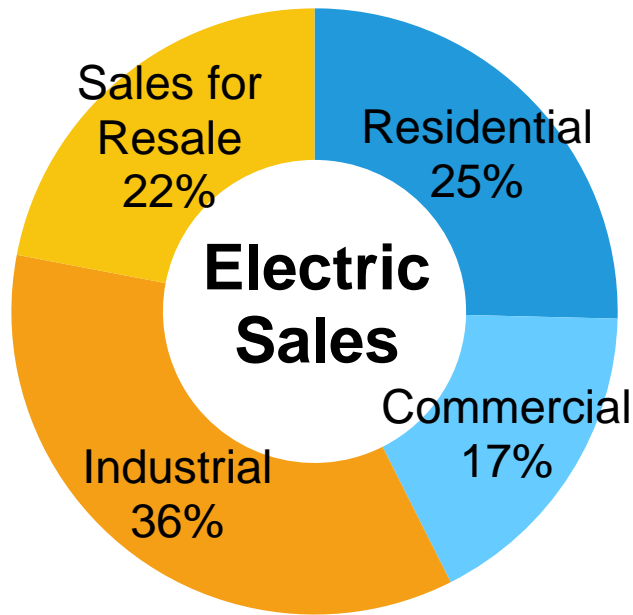
## Sources of Energy



(a) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the form of renewable energy credits or other environmental commodities.

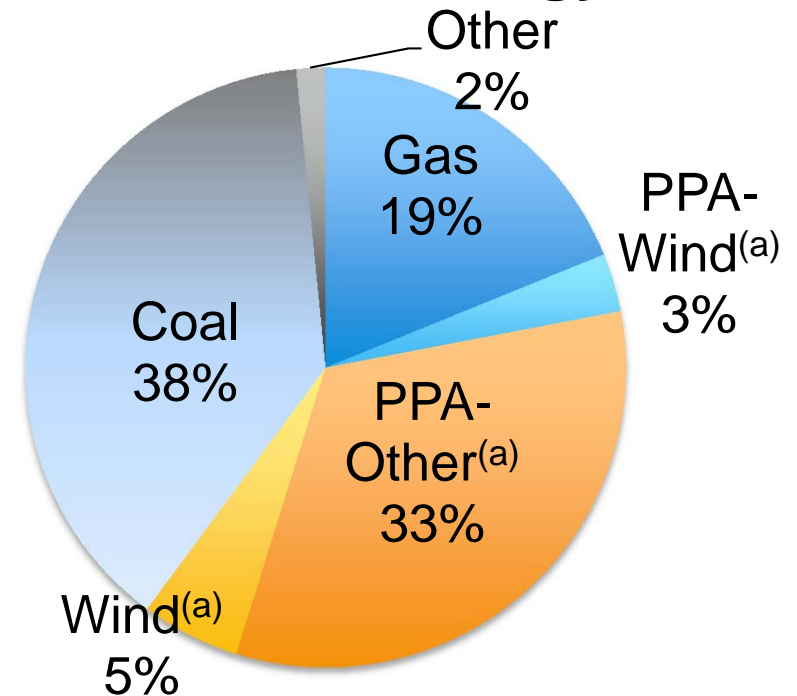
# WPL Operating Information

## (Calendar Year 2016)



**2015 US Avg.: 38% Residential,  
36% Commercial, 26% Industrial**

### Sources of Energy



(a) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the form of renewable energy credits or other environmental commodities.

# Electric Rate Comparison

## Dollars per kWh (Revenue \$/kWh Sales)

	Residential	Commercial	Industrial	Retail Avg.
US average	\$0.13	\$0.11	\$0.07	\$0.11
Iowa:				
MidAmerican	\$0.10	\$0.08	\$0.05	\$0.07
<b>IPL</b>	<b>\$0.15</b>	<b>\$0.11</b>	<b>\$0.07</b>	<b>\$0.10</b>
Wisconsin:				
MGE	\$0.17	\$0.11	\$0.08	\$0.12
WE	\$0.15	\$0.12	\$0.08	\$0.12
WPS	\$0.13	\$0.09	\$0.06	\$0.09
<b>WPL</b>	<b>\$0.13</b>	<b>\$0.11</b>	<b>\$0.08</b>	<b>\$0.10</b>

Source: EEI Typical Bills & Average Rates Report, Winter 2017 ed., Average rates 12 months ending December 31, 2016